

<i>SERFF Tracking Number:</i>	<i>UNAM-126740774</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>The Pyramid Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>46323</i>
<i>Company Tracking Number:</i>	<i>PYR MM 2010 AR</i>		
<i>TOI:</i>	<i>H16I Individual Health - Major Medical</i>	<i>Sub-TOI:</i>	<i>H16I.005C Individual - Other</i>
<i>Product Name:</i>	<i>Major Medical</i>		
<i>Project Name/Number:</i>	<i>PYR MM 2010 AR/G-91, et al</i>		

Filing at a Glance

Company: The Pyramid Life Insurance Company

Product Name: Major Medical

SERFF Tr Num: UNAM-126740774 State: Arkansas

TOI: H16I Individual Health - Major Medical

SERFF Status: Closed-Approved-
Closed State Tr Num: 46323

Sub-TOI: H16I.005C Individual - Other

Co Tr Num: PYR MM 2010 AR

State Status: Approved-Closed

Filing Type: Rate

Reviewer(s): Rosalind Minor

Authors: Carmen Boyd, Trudi
Goldenberg

Disposition Date: 08/13/2010

Date Submitted: 07/27/2010

Disposition Status: Approved-
Closed

Implementation Date Requested:

Implementation Date:

State Filing Description:

General Information

Project Name: PYR MM 2010 AR

Status of Filing in Domicile: Pending

Project Number: G-91, et al

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact: 22%

Group Market Type:

Filing Status Changed: 08/13/2010

Explanation for Other Group Market Type:

State Status Changed: 08/13/2010

Deemer Date:

Created By: Trudi Goldenberg

Submitted By: Trudi Goldenberg

Corresponding Filing Tracking Number: PYR
MM 2010 AR

PPACA: Not PPACA-Related

Filing Description:

Pyramid Life Insurance Company

NAIC # 68284 FEIN # 48-0557726

Request for Rate Revision – Individual Major Medical

Forms: G-91, et al

Pyramid Life Insurance Company is requesting a 22.0% increase on all Major Medical plans.

SERFF Tracking Number:	UNAM-126740774	State:	Arkansas
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TOI:	H16I Individual Health - Major Medical	Sub-TOI:	H16I.005C Individual - Other
Product Name:	Major Medical		
Project Name/Number:	PYR MM 2010 AR/G-91, et al		

This is a closed block of business and there are 4 policyholders remaining in Arkansas.

Company and Contact

Filing Contact Information

Trudi Goldenberg,	tgoldenberg@uafc.com
P.O. Box 958465	407-628-1776 [Phone] 8278 [Ext]
Lake Mary, FL 32795-8465	

Filing Company Information

The Pyramid Life Insurance Company	CoCode: 68284	State of Domicile: Kansas
1001 Heathrow Park Lane	Group Code: 953	Company Type:
Suite 5001	Group Name:	State ID Number:
Lake Mary, FL 32746	FEIN Number: 48-0557726	
(407) 995-8000 ext. [Phone]		

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Pyramid Life Insurance Company	\$0.00	07/27/2010	
The Pyramid Life Insurance Company	\$50.00	08/09/2010	38601262

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	08/13/2010	08/13/2010

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	08/09/2010	08/09/2010	Trudi Goldenberg	08/13/2010	08/13/2010
Pending Industry Response	Rosalind Minor	08/06/2010	08/06/2010	Carmen Boyd	08/09/2010	08/09/2010

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Project Name/Number:	PYR MM 2010 AR/G-91, et al		

Disposition

Disposition Date: 08/13/2010

Implementation Date:

Status: Approved-Closed

Comment:

We have approved your request of a 10% level rate increase on this submission. The approval is subject to the We following conditions:

1. Rate increases will not be given prior to the first annual anniversary date of any policy.
2. After the first annual anniversary date of any policy, increases will not be given more frequently than once in a twelve (12) month period.
3. All increases in rates, other than a change in age or an individual moving to another geographical area, must be submitted to our Department for approval.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
The Pyramid Life Insurance Company	22.000%	22.000%	\$23,321	4	\$106,004	22.000%	22.000%

SERFF Tracking Number:	UNAM-126740774	State:	Arkansas
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	Health - Actuarial Justification	Replaced	No
Rate (revised)	Current and Requested Rates - 10%	Approved-Closed	Yes
Rate	Current and Requested Rates	Replaced	Yes

SERFF Tracking Number: UNAM-126740774 State: Arkansas
Filing Company: The Pyramid Life Insurance Company State Tracking Number: 46323
Company Tracking Number: PYR MM 2010 AR
TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005C Individual - Other
Product Name: Major Medical
Project Name/Number: PYR MM 2010 AR/G-91, et al

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/09/2010
Submitted Date 08/09/2010

Respond By Date

Dear Trudi Goldenberg,

This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment:

Our Department has been working with the insurance companies on the rate increases which they are submitting to our Department.

The majority of the companies have been filing rate increases in excess of 10% on major medical policies. Our Department is requesting that the companies consider no more than a 10% increase due to substantial increases in past years and/or the impact that an increase would have on the insureds during this difficult economic time.

If you wish to accept the 10% increase, please send a revised actuarial memorandum along with the revised rates.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

SERFF Tracking Number: UNAM-126740774 State: Arkansas
Filing Company: The Pyramid Life Insurance Company State Tracking Number: 46323
Company Tracking Number: PYR MM 2010 AR
TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005C Individual - Other
Product Name: Major Medical
Project Name/Number: PYR MM 2010 AR/G-91, et al

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/13/2010
Submitted Date 08/13/2010

Dear Rosalind Minor,

Comments:

Thank you for your correspondence of August 9 2010. Our actuary has finished her review of this information.

Response 1

Comments: The revised actuarial memorandum and rate pages are attached below.

Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

Our Department has been working with the insurance companies on the rate increases which they are submitting to our Department.

The majority of the companies have been filing rate increases in excess of 10% on major medical policies. Our Department is requesting that the companies consider no more than a 10% increase due to substantial increases in past years and/or the impact that an increase would have on the insureds during this difficult economic time.

If you wish to accept the 10% increase, please send a revised actuarial memorandum along with the revised rates.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Health - Actuarial Justification

Comment: Attached.

No Form Schedule items changed.

SERFF Tracking Number: UNAM-126740774 State: Arkansas
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Product Name: Major Medical
Project Name/Number: PYR MM 2010 AR/G-91, et al

Rate/Rule Schedule Item Changes

Document Name: Affected Form Numbers: Rate Action: Rate Action Information: Attach Document:

Current and G-91, et al New Previous State Filing Number

Requested Rates -
10%

0

Previous Version

Current and G-91, et al New Previous State Filing Number

Requested Rates

0

Please let me know if you have any further questions or concerns.

Sincerely,
Carmen Boyd, Trudi Goldenberg

SERFF Tracking Number: UNAM-126740774 *State:* Arkansas
Filing Company: The Pyramid Life Insurance Company *State Tracking Number:* 46323
Company Tracking Number: PYR MM 2010 AR
TOI: H16I Individual Health - Major Medical *Sub-TOI:* H16I.005C Individual - Other
Product Name: Major Medical
Project Name/Number: PYR MM 2010 AR/G-91, et al

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/06/2010

Submitted Date 08/06/2010

Respond By Date

Dear Trudi Goldenberg,

This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment:

Our filing fees under Rule and Regulation 57 has been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00.

We will begin our review of this submission upon receipt of the additional filing fee.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

SERFF Tracking Number: UNAM-126740774 State: Arkansas
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Company Tracking Number: PYR MM 2010 AR
TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005C Individual - Other
Product Name: Major Medical
Project Name/Number: PYR MM 2010 AR/G-91, et al

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/09/2010
Submitted Date 08/09/2010

Dear Rosalind Minor,

Comments:

Response 1

Comments: \$50.00 submitted via EFT

Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

Our filing fees under Rule and Regulation 57 has been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00.

We will begin our review of this submission upon receipt of the additional filing fee.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Carmen Boyd, Trudi Goldenberg

SERFF Tracking Number:	UNAM-126740774	State:	Arkansas
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Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	10.000%
Effective Date of Last Rate Revision:	09/24/2009
Filing Method of Last Filing:	SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
The Pyramid Life Insurance Company	22.000%	22.000%	\$23,321	4	\$106,004	22.000%	22.000%

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<i>Product Name:</i>	<i>Major Medical</i>		
<i>Project Name/Number:</i>	<i>PYR MM 2010 AR/G-91, et al</i>		

Supporting Document Schedules

		Item Status:	Status
			Date:
Satisfied - Item:	Health - Actuarial Justification	Approved-Closed	08/13/2010
Comments:			
Attached.			
Attachments:			
Ex B 2010 Rate Inc Hist.pdf			
Act Memo - 10%.pdf			

The Pyramid Life Insurance Company
 Actuarial Justification for A&H Rate Increase
 Major Medical

The Pyramid Life Insurance Company
Exhibit B - Nationwide Rate Increase History
Major Medical

FORMS				
Effective	H-71	G30/31	G50/51	G90/G91/G94/G96
1st Qtr 1984	27%			
1st Qtr 1985	18%			
1st Qtr 1986	10%			
1st Qtr 1987	40%			
1st Qtr 1988	50%			
4th Qtr 1988		22%		
1st Qtr 1989	69%			
4th Qtr 1989		17% / 44%	26%	
3rd Qtr 1990	47%			
4th Qtr 1990		29% / 40%		
1st Qtr 1991			15%	15%
4th Qtr 1991	47%			
1st Qtr 1992		22%	22%	30%
1st Qtr 1993		28%	28%	22%
2nd Qtr 1993	24%			
1st Qtr 1994				-2%
3rd Qtr 1995	15%	10%	10%	10%
3rd Qtr 1996	35%	12%	12%	12%
3rd Qtr 1997	25%	25%	25%	25%
3rd Qtr 1998	38%	38%	38%	38%
2nd Qtr 1999	25%	25%	25%	25%
2nd Qtr 2000	24%	24%	24%	24%
3rd Qtr 2001	30%	30%	30%	30%
3rd Qtr 2002	30%	30%	30%	30%
3rd Qtr 2004	30%	30%	30%	30%
3rd Qtr 2005*	30%	30%	30%	30%
3rd Qtr 2006**	40%	40%	40%	40%
3rd Qtr 2007				
AL,GA,NE,SC,SD,TX	30%		30%	30%
KS	20%		20%	20%
NM	16.87%		16.87%	16.87%
AR,MS	15%		15%	15%
FL	12%	12%	12%	12%
TN	10%		12%	12%
CA	6%		6%	6%
CO	0%		0%	0%
4th Qtr 2008				
AL, AR,TN				15%
CO,VA			12%	12%
GA,NE,TX,UT			30%	30%
KS,SC				20%
MS				25%
NM	16.87%			16.87%
SD				18%
4th Qtr 2009				
AL, NE,TX,UT	30%	30%	30%	30%
AR				10%
CO,KS,TN,	12%	12%	12%	12%
MS				25%
NM	18%			18%

*CA = 15%; FL = 16%; IN, TN = 20%; MS, TX = 25%

** CA & FL = 10%, KS & NC = 30%, MS & SD = 25%, VA = 15%

Pyramid Life Insurance Company
Actuarial Memorandum - Accident & Health Rate Filing
Individual Major Medical - All Forms
Arkansas

1. Purpose of filing

The purpose of this rate filing is to request a rate increase for Pyramid's Major Medical Policy Forms, and to demonstrate that, after the requested rate increase, minimum lifetime loss ratio requirements are met. It is not intended to be used for any other reason.

2. Scope

This filing applies to Major Medical Policy Forms. All plans are pooled and will continue to be pooled in the future. This is a closed block of business.

3. Average Annual Premium

The number of policies, annualized premium, and average premium inforce as of 3/31/2010 are shown below:

Arkansas				Nationwide			
Annualized Premium	Policies	Average Size Current	w/Inc	Annualized Premium	Policies	Average Size Current	w/Inc
106,004	4	26,501	32,331	1,071,780	66	16,239	19,812

4. Benefits

These are Major Medical Policy Forms. Benefits are based on reasonable and customary charges for medically necessary care unless otherwise noted. The H-71 policies were sold in years 1982 through 1987 when they were removed from the market. The policies have calendar year deductibles ranging from \$100 to \$10,000 after which they pay 80% up to \$5,000 during a calendar year and then 100%.

The remaining policy forms have a lifetime maximum benefit of \$2,000,000. The policies were first sold in 1988 and new sales were discontinued as of June 1997. Form G90 has a per cause deductible, after which it pays 80% up to \$5,000 during a benefit period and then 100%. Form G94 has a per cause deductible, after which it pays 50% up to \$25,000 during a benefit period and then 100%. All other forms (including G91) have a calendar year deductible ranging from \$100 to \$10,000 or \$15,000 and then pay 100% for the remainder of the calendar year. Policy forms G51, G90, G91, and G94 require preauthorization of non-emergency hospitalizations.

Rider E-483 (added to G91 policy) has structured benefits for the first \$25,000 of charges. After \$25,000 of covered expenses in a calendar year a G91 policy with E-483 pays 100%. Rider E-546 (added to G91 policy) provides for 50% coinsurance after a \$500 calendar year deductible up to a \$5,000 or \$10,000 limit. After the rider benefit level the G91 policy pays 100% of covered expenses in the remainder of the calendar year. Maternity Coverage and Zero Deductible for Accidents are optional on all policy forms.

5. Marketing Method

These plans were sold through agents and brokers.

6. Rate Increase Request and Reason for request

A rate increase of 10% is being requested in order to bring current and lifetime loss ratios back to acceptable levels, and to offset increases in cost, utilization and technology.

Exhibit A details the current and requested premium schedules.

7. History of Previous Rate Revisions

The rate increase history is shown in Exhibit B.

8. Rate Justification Standard

This filing demonstrates that both the lifetime loss ratio and the projected future loss ratios are in excess of the required minimum loss ratio standard of 55% to 60%.

Pyramid Life Insurance Company
Actuarial Memorandum - Accident & Health Rate Filing
Individual Major Medical - All Forms
Arkansas

9. Projection Assumptions

The projection assumptions are shown below:

Premiums - The first effective date for the requested increase is assumed to be 09/24/2010. Future rate increases equal to the medical trend have been assumed to be effective annually on 9/24. Of course, those future increases are not being requested at this time. Filings for those increases will be made each year, as appropriate. Additionally, annual increases of 4.0% have been assumed to account for the automatic annual increases resulting from the attained age rating structure.

Claims - Current claim levels have been projected assuming a 12.5% annual medical trend (based on our recent experience) for all future years. In addition, it has been assumed that claims increase for aging and underwriting wear-off based on the premium aging factor and the slope of the expected durational loss ratios. Because the valuation date does not coincide with the end of the calendar year, an adjustment was made to reflect the seasonality of the claim experience during the year. This adjustment was based on the premium and claim experience by quarter for the last several years.

Terminations - A 22.0% total termination rate (lapses and deaths combined) was assumed for purposes of projecting future earned premiums and incurred claims.

Interest - A 5.0% interest rate (based on the assumption used in previous filings) has been used for accumulating past earned premiums and incurred claims and for discounting projected future earned premiums and incurred claims.

10. Historical and Projected Experience

Exhibit B details the nationwide historical and projected future experience. The following summarizes the lifetime loss ratio calculation detailed in that exhibit.

<u>Experience Period</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical	915,898,677	631,446,256	68.9%
Projected Future	7,193,647	6,248,699	86.9%
Anticipated Lifetime	923,092,323	637,694,955	69.1%

The projected future loss ratio and the lifetime loss ratio are at least as great as the minimum required loss ratio.

Pyramid Life Insurance Company
Actuarial Memorandum - Accident & Health Rate Filing
Individual Major Medical - All Forms
Arkansas

11. Actuarial Certification

I hereby certify that, to the best of my knowledge and belief, the rate filing submitted herein was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board including the data quality standard of practice; the assumptions present my best judgment as to the expected value for each assumption and are consistent with the Company's business plan; the anticipated loss ratio, future loss ratio, and third year loss ratio all exceed the applicable minimum; the anticipated loss ratio submitted herein is expected to develop over the period for which rates are computed to provide coverage; and the benefits are reasonable in relation to the proposed premiums.

Respectfully Submitted,

Lisa Parker, ASA, MAAA
Consultant
Pyramid Life Insurance Company
August 13, 2010

Attachments:

Exhibit A: Current and Requested Premium Rates
Exhibit B: Rate Increase History
Exhibit C: Historical and Projected Future Experience

Exhibit C

Pyramid Life Insurance Company Actuarial Justification for Individual A&H Rate Increase Individual Major Medical - Nationwide

Historical and Projected Future Experience with 10% Rate Increase

	Actual Earned Premium	Attained Rate Increase	Age Increase	Effective Date	Current Rate Factor	Annual Termtn Rate	Persis- tency Factor	Earned Premium at Current Rates	Actual Incurred Claims By Incurred Year	Annual Medical Trend	Current Annual Aging	Cumltv Effect of Claim Shock Morbidity	Incurred Claims at Current Levels	Incurred Loss Ratio at Current Levels	Actual Incurred Loss Ratio
Historical															
1983	3,420,793								2,062,403						60.3%
1984	8,279,514								5,800,330						70.1%
1985	12,425,819								6,911,756						55.6%
1986	12,088,999								9,869,654						81.6%
1987	10,596,340								8,966,637						84.6%
1988	10,245,074								8,147,137						79.5%
1989	15,265,223								10,578,202						69.3%
1990	18,934,816								11,837,870						62.5%
1991	32,882,727								20,257,283						61.6%
1992	48,467,717								31,213,939						64.4%
1993	47,679,699								29,807,999						62.5%
1994	39,676,513								23,694,089						59.7%
1995	32,285,746								21,588,133						66.9%
1996	26,053,017								17,706,028						68.0%
1997	20,313,949								17,785,806						87.6%
1998	15,278,002								12,650,356						82.8%
1999	10,704,512								8,054,156						75.2%
2000	7,871,557								5,869,986						74.6%
2001	5,985,835								5,089,527						85.0%
2002	4,826,703								4,694,002						97.3%
2003	3,720,872								4,119,356						110.7%
2004	3,087,806								3,670,264						118.9%
2005	2,664,783								2,700,804						101.4%
2006	2,334,802								1,885,749						80.8%
2007	1,816,273				1.3496			2,451,279	2,147,459	12.50%		1.3825	2,968,891	121.1%	118.2%
2008	1,480,030				1.1848			1,753,589	1,732,081	12.50%		1.2289	2,128,556	121.4%	117.0%
2009	1,261,153				1.0744			1,354,954	1,406,193	12.50%		1.0924	1,536,064	113.4%	111.5%
1Q2010*	280,500				1.0090			283,034	337,905	12.50%		1.0148	268,538	94.9%	120.5%

Projected Experience with Rate Increase

Total 2010	1,068,955							1,053,700	930,580				900,170	85.4%	87.1%	
Rest 2010*	788,455	10.00%	4.0%	9/24/2010	0.9774	0.2200	0.8900	770,666	592,674	12.50%	3.9%	0.9568	0.0000	631,632	82.0%	75.2%
2011	959,690	12.50%	4.0%	9/24/2011	0.8907	0.2200	0.7800	854,761	846,063	12.50%	4.0%	0.8631	0.0000	730,234	85.4%	88.2%
2012	875,760	12.50%	4.0%	9/24/2012	0.7917	0.2200	0.7800	693,382	772,690	12.50%	4.1%	0.7672	0.0000	592,805	85.5%	88.2%
2013	799,267	12.50%	4.0%	9/24/2013	0.7037	0.2200	0.7800	562,472	705,623	12.50%	4.1%	0.6820	0.0000	481,202	85.6%	88.3%
2014	729,411	12.50%	4.0%	9/24/2014	0.6255	0.2200	0.7800	456,277	644,112	12.50%	4.0%	0.6062	0.0000	390,448	85.6%	88.3%
2015	665,660	12.50%	4.0%	9/24/2015	0.5560	0.2200	0.7800	370,132	587,816	12.50%	4.0%	0.5388	0.0000	316,731	85.6%	88.3%
2016	607,445	12.50%	4.0%	9/24/2016	0.4943	0.2200	0.7800	300,251	536,441	12.50%	4.0%	0.4790	0.0000	256,932	85.6%	88.3%
2017	554,388	12.50%	4.0%	9/24/2017	0.4393	0.2200	0.7800	243,564	489,556	12.50%	4.0%	0.4257	0.0000	208,423	85.6%	88.3%
2018	505,934	12.50%	4.0%	9/24/2018	0.3905	0.2200	0.7800	197,579	446,769	12.50%	4.0%	0.3784	0.0000	169,073	85.6%	88.3%
2019	461,716	12.50%	4.0%	9/24/2019	0.3471	0.2200	0.7800	160,276	407,721	12.50%	4.0%	0.3364	0.0000	137,152	85.6%	88.3%
2020	421,336	12.50%	4.0%	9/24/2020	0.3086	0.2200	0.7800	130,016	372,086	12.50%	4.0%	0.2990	0.0000	111,258	85.6%	88.3%
2021	384,535	12.50%	4.0%	9/24/2021	0.2743	0.2200	0.7800	105,469	339,566	12.50%	4.0%	0.2658	0.0000	90,252	85.6%	88.3%
2022	350,926	12.50%	4.0%	9/24/2022	0.2438	0.2200	0.7800	85,556	309,888	12.50%	4.0%	0.2363	0.0000	73,213	85.6%	88.3%
2023	320,255	12.50%	4.0%	9/24/2023	0.2167	0.2200	0.7800	69,403	282,804	12.50%	4.0%	0.2100	0.0000	59,390	85.6%	88.3%
2024	292,247	12.50%	4.0%	9/24/2024	0.1926	0.2200	0.7800	56,300	258,087	12.50%	4.0%	0.1867	0.0000	48,177	85.6%	88.3%
2025	266,721	12.50%	4.0%	9/24/2025	0.1712	0.2200	0.7800	45,671	235,530	12.50%	4.0%	0.1659	0.0000	39,081	85.6%	88.3%
2026	243,410	12.50%	4.0%	9/24/2026	0.1522	0.2200	0.7800	37,048	214,945	12.50%	4.0%	0.1475	0.0000	31,703	85.6%	88.3%
2027	222,136	12.50%	4.0%	9/24/2027	0.1353	0.2200	0.7800	30,053	196,158	12.50%	4.0%	0.1311	0.0000	25,717	85.6%	88.3%
2028	202,709	12.50%	4.0%	9/24/2028	0.1203	0.2200	0.7800	24,379	179,014	12.50%	4.0%	0.1165	0.0000	20,862	85.6%	88.3%
2029	185,003	12.50%	4.0%	9/24/2029	0.1069	0.2200	0.7800	19,776	163,368	12.50%	4.0%	0.1036	0.0000	16,923	85.6%	88.3%

Lifetime Present Values at 5%

Historical	915,898,677								631,446,256						68.9%
Projected	7,193,647								6,248,699						86.9%
Lifetime	923,092,323								637,694,955						69.1%

Projected Experience without Rate Increase

Total 2010	1,051,166							1,053,700	930,580				900,170	85.4%	88.5%	
Rest 2010*	770,666	0.00%	4.0%	9/24/2010	1.0000	0.2200	0.8900	770,666	592,674	12.50%	3.9%	0.9568	0.0000	631,632	82.0%	76.9%
2011	872,445	12.50%	4.0%	9/24/2011	0.9797	0.2200	0.7800	854,761	846,063	12.50%	4.0%	0.8631	0.0000	730,234	85.4%	97.0%
2012	796,145	12.50%	4.0%	9/24/2012	0.8709	0.2200	0.7800	693,382	772,690	12.50%	4.1%	0.7672	0.0000	592,805	85.5%	97.1%
2013	726,606	12.50%	4.0%	9/24/2013	0.7741	0.2200	0.7800	562,472	705,623	12.50%	4.1%	0.6820	0.0000	481,202	85.6%	97.1%
2014	663,101	12.50%	4.0%	9/24/2014	0.6881	0.2200	0.7800	456,277	644,112	12.50%	4.0%	0.6062	0.0000	390,448	85.6%	97.1%
2015	605,146	12.50%	4.0%	9/24/2015	0.6116	0.2200	0.7800	370,132	587,816	12.50%	4.0%	0.5388	0.0000	316,731	85.6%	97.1%
2016	552,223	12.50%	4.0%	9/24/2016	0.5437	0.2200	0.7800	300,251	536,441	12.50%	4.0%	0.4790	0.0000	256,932	85.6%	97.1%
2017	503,989	12.50%	4.0%	9/24/2017	0.4833	0.2200	0.7800	243,564	489,556	12.50%	4.0%	0.4257	0.0000	208,423	85.6%	97.1%
2018	459,940	12.50%	4.0%	9/24/2018	0.4296	0.2200	0.7800	197,579	446,769	12.50%	4.0%	0.3784	0.0000	169,073	85.6%	97.1%
2019	419,742	12.50%	4.0%	9/24/2019	0.3818	0.2200	0.7800	160,276	407,721	12.50%	4.0%	0.3364	0.0000	137,152	85.6%	97.1%
2020	383,033	12.50%	4.0%	9/24/2020	0.3394	0.2200	0.7800	130,016	372,086	12.50%	4.0%	0.2990	0.0000	111,258	85.6%	97.1%
2021	349,577	12.50%	4.0%	9/24/2021	0.3017	0.2200	0.7800	105,469	339,566	12.50%	4.0%	0.2658	0.0000	90,252	85.6%	97.1%
2022	319,024	12.50%	4.0%	9/24/2022	0.2682	0.2200	0.7800	85,556	309,888	12.50%	4.0%	0.2363	0.0000	73,213	85.6%	97.1%
2023	291,141	12.50%	4.0%	9/24/2023	0.2384	0.2200	0.7800	69,403	282,804	12.50%	4.0%	0.2100	0.0000	59,390	85.6%	97.1%
2024	265,679	12.50%	4.0%	9/24/2024	0.2119	0.2200	0.7800	56,300	258,087	12.50%	4.0%	0.1867	0.0000	48,177	85.6%	97.1%
2025	242,474	12.50%	4.0%	9/24/2025	0.1884	0.2200	0.7800	45,671	235,530	12.50%	4.0%	0.1659	0.0000	39,081	85.6%	97.1%
2026	221,282	12.50%	4.0%	9/24/2026	0.1674	0.2200	0.7800	37,048	214,945	12.50%	4.0%	0.1475	0.0000	31,703	85.6%	97.1%
2027	201,942	12.50%	4.0%	9/24/2027	0.1488	0.2200	0.7800	30,053	196,158	12.50%	4.0%	0.1311	0.0000	25,717	85.6%	97.1%
2028	184,281	12.50%	4.0%	9/24/2028	0.1323	0.2200	0.7800	24,379	179,014	12.50%	4.0%	0.1165	0.0000	20,862	85.6%	97.1%
2029	168,185	12.50%	4.0%	9/24/2029	0.1176	0.2200	0.7800	19,776	163,368	12.50%	4.0%	0.1036	0.0000	16,923	85.6%	97.1%

Lifetime Present Values at 5%

Historical	915,898,677								631,446,256						68.9%
Projected	6,592,591								6,248,699						94.8%
Lifetime	922,491,267								637,694,955						69.1%

*Partial year claims have been adjusted by 1.2770 for past seasonality and 0.8

<i>SERFF Tracking Number:</i>	<i>UNAM-126740774</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>The Pyramid Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>46323</i>
<i>Company Tracking Number:</i>	<i>PYR MM 2010 AR</i>		
<i>TOI:</i>	<i>H16I Individual Health - Major Medical</i>	<i>Sub-TOI:</i>	<i>H16I.005C Individual - Other</i>
<i>Product Name:</i>	<i>Major Medical</i>		
<i>Project Name/Number:</i>	<i>PYR MM 2010 AR/G-91, et al</i>		

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
07/27/2010	Supporting Health - Actuarial Justification Document		08/13/2010	ACT MEMO.pdf (Superceded) Ex B 2010 Rate Inc Hist.pdf

Pyramid Life Insurance Company
Actuarial Memorandum - Accident & Health Rate Filing
Individual Major Medical - All Forms
Arkansas

1. Purpose of filing

The purpose of this rate filing is to request a rate increase for Pyramid's Major Medical Policy Forms, and to demonstrate that, after the requested rate increase, minimum lifetime loss ratio requirements are met. It is not intended to be used for any other reason.

2. Scope

This filing applies to Major Medical Policy Forms. All plans are pooled and will continue to be pooled in the future. This is a closed block of business.

3. Average Annual Premium

The number of policies, annualized premium, and average premium inforce as of 3/31/2010 are shown below:

Arkansas				Nationwide			
Annualized Premium	Policies	Average Size Current	w/Inc	Annualized Premium	Policies	Average Size Current	w/Inc
106,004	4	26,501	32,331	1,071,780	66	16,239	19,812

4. Benefits

These are Major Medical Policy Forms. Benefits are based on reasonable and customary charges for medically necessary care unless otherwise noted. The H-71 policies were sold in years 1982 through 1987 when they were removed from the market. The policies have calendar year deductibles ranging from \$100 to \$10,000 after which they pay 80% up to \$5,000 during a calendar year and then 100%.

The remaining policy forms have a lifetime maximum benefit of \$2,000,000. The policies were first sold in 1988 and new sales were discontinued as of June 1997. Form G90 has a per cause deductible, after which it pays 80% up to \$5,000 during a benefit period and then 100%. Form G94 has a per cause deductible, after which it pays 50% up to \$25,000 during a benefit period and then 100%. All other forms (including G91) have a calendar year deductible ranging from \$100 to \$10,000 or \$15,000 and then pay 100% for the remainder of the calendar year. Policy forms G51, G90, G91, and G94 require preauthorization of non-emergency hospitalizations.

Rider E-483 (added to G91 policy) has structured benefits for the first \$25,000 of charges. After \$25,000 of covered expenses in a calendar year a G91 policy with E-483 pays 100%. Rider E-546 (added to G91 policy) provides for 50% coinsurance after a \$500 calendar year deductible up to a \$5,000 or \$10,000 limit. After the rider benefit level the G91 policy pays 100% of covered expenses in the remainder of the calendar year. Maternity Coverage and Zero Deductible for Accidents are optional on all policy forms.

5. Marketing Method

These plans were sold through agents and brokers.

6. Rate Increase Request and Reason for request

A rate increase of 22.00% is being requested in order to bring current and lifetime loss ratios back to acceptable levels, and to offset increases in cost, utilization and technology.

Exhibit A details the current and requested premium schedules.

7. History of Previous Rate Revisions

The rate increase history is shown in Exhibit B.

8. Rate Justification Standard

This filing demonstrates that both the lifetime loss ratio and the projected future loss ratios are in excess of the required minimum loss ratio standard of 55% to 60%.

Pyramid Life Insurance Company
Actuarial Memorandum - Accident & Health Rate Filing
Individual Major Medical - All Forms
Arkansas

9. Projection Assumptions

The projection assumptions are shown below:

Premiums - The first effective date for the requested increase is assumed to be 09/24/2010. Future rate increases equal to the medical trend have been assumed to be effective annually on 9/24. Of course, those future increases are not being requested at this time. Filings for those increases will be made each year, as appropriate. Additionally, annual increases of 4.0% have been assumed to account for the automatic annual increases resulting from the attained age rating structure.

Claims - Current claim levels have been projected assuming a 12.5% annual medical trend (based on our recent experience) for all future years, with an adjustment to account for the anti-selection associated with shock lapses (labeled in the projection as shock morbidity), since the proposed rate increase is greater than trend. In addition, it has been assumed that claims increase for aging and underwriting wear-off based on the premium aging factor and the slope of the expected durational loss ratios. Because the valuation date does not coincide with the end of the calendar year, an adjustment was made to reflect the seasonality of the claim experience during the year. This adjustment was based on the premium and claim experience by quarter for the last several years.

Terminations - A 22.0% total termination rate (lapses and deaths combined) was assumed for purposes of projecting future earned premiums and incurred claims. This is based on recent past experience. An adjustment was made for shock lapses, since the proposed rate increase exceeds trend.

Interest - A 5.0% interest rate (based on the assumption used in previous filings) has been used for accumulating past earned premiums and incurred claims and for discounting projected future earned premiums and incurred claims.

10. Historical and Projected Experience

Exhibit B details the nationwide historical and projected future experience. The following summarizes the lifetime loss ratio calculation detailed in that exhibit.

<u>Experience Period</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical	915,898,677	631,446,256	68.9%
Projected Future	7,739,774	6,363,113	82.2%
Anticipated Lifetime	923,638,451	637,809,369	69.1%

The projected future loss ratio and the lifetime loss ratio are at least as great as the minimum required loss ratio.

Pyramid Life Insurance Company
Actuarial Memorandum - Accident & Health Rate Filing
Individual Major Medical - All Forms
Arkansas

11. Actuarial Certification

I hereby certify that, to the best of my knowledge and belief, the rate filing submitted herein was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board including the data quality standard of practice; the assumptions present my best judgment as to the expected value for each assumption and are consistent with the Company's business plan; the anticipated loss ratio, future loss ratio, and third year loss ratio all exceed the applicable minimum; the anticipated loss ratio submitted herein is expected to develop over the period for which rates are computed to provide coverage; and the benefits are reasonable in relation to the proposed premiums.

Respectfully Submitted,

Lisa Parker, ASA, MAAA
Consultant
Pyramid Life Insurance Company
July 23, 2010

Attachments:

Exhibit A: Current and Requested Premium Rates
Exhibit B: Rate Increase History
Exhibit C: Historical and Projected Future Experience

Exhibit C

Pyramid Life Insurance Company Actuarial Justification for Individual A&H Rate Increase Individual Major Medical - Nationwide Historical and Projected Future Experience with 22% Rate Increase

	Actual Earned Premium	Attained Rate Increase	Age Increase	Effective Date	Current Rate Factor	Annual Termtn Rate	Persis- tency Factor	Earned Premium at Current Rates	Actual Incurred Claims By Incurred Year	Annual Medical Trend	Current Annual Aging	Current Claim Factor	Cumltv Effect of Shock Morbidity	Incurred Claims at Current Levels	Incurred Loss Ratio at Current Levels	Actual Incurred Loss Ratio
Historical																
1983	3,420,793								2,062,403							60.3%
1984	8,279,514								5,800,330							70.1%
1985	12,425,819								6,911,756							55.6%
1986	12,088,999								9,869,654							81.6%
1987	10,596,340								8,966,637							84.6%
1988	10,245,074								8,147,137							79.5%
1989	15,265,223								10,578,202							69.3%
1990	18,934,816								11,837,870							62.5%
1991	32,882,727								20,257,283							61.6%
1992	48,467,717								31,213,939							64.4%
1993	47,679,699								29,807,999							62.5%
1994	39,676,513								23,694,089							59.7%
1995	32,285,746								21,588,133							66.9%
1996	26,053,017								17,706,028							68.0%
1997	20,313,949								17,785,806							87.6%
1998	15,278,002								12,650,356							82.8%
1999	10,704,512								8,054,156							75.2%
2000	7,871,557								5,869,986							74.6%
2001	5,985,835								5,089,527							85.0%
2002	4,826,703								4,694,002							97.3%
2003	3,720,872								4,119,356							110.7%
2004	3,087,806								3,670,264							118.9%
2005	2,664,783								2,700,804							101.4%
2006	2,334,802								1,885,749							80.8%
2007	1,816,273				1.3496			2,451,279	2,147,459	12.50%		1.3825		2,968,891	121.1%	118.2%
2008	1,480,030				1.1848			1,753,589	1,732,081	12.50%		1.2289		2,128,556	121.4%	117.0%
2009	1,261,153				1.0744			1,354,954	1,406,193	12.50%		1.0924		1,536,064	113.4%	111.5%
1Q2010*	280,500				1.0090			283,034	337,905	12.50%		1.0148		268,538	94.9%	120.5%

Projected Experience with Rate Increase

Total 2010	1,077,387							1,044,257	933,543					892,430	85.5%	86.6%
Rest 2010*	796,887	22.00%	4.0%	9/24/2010	0.9552	0.2418	0.8791	761,223	595,638	12.50%	3.9%	0.9404	0.0175	623,892	82.0%	74.7%
2011	1,040,096	12.50%	4.0%	9/24/2011	0.8031	0.2200	0.7691	835,257	856,160	12.50%	4.0%	0.8338	0.0352	713,837	85.5%	82.3%
2012	949,134	12.50%	4.0%	9/24/2012	0.7139	0.2200	0.7800	677,561	785,578	12.50%	4.1%	0.7377	0.0400	579,494	85.5%	82.8%
2013	866,233	12.50%	4.0%	9/24/2013	0.6345	0.2200	0.7800	549,637	718,951	12.50%	4.1%	0.6543	0.0423	470,396	85.6%	83.0%
2014	790,524	12.50%	4.0%	9/24/2014	0.5640	0.2200	0.7800	445,866	657,103	12.50%	4.0%	0.5809	0.0436	381,680	85.6%	83.1%
2015	721,432	12.50%	4.0%	9/24/2015	0.5013	0.2200	0.7800	361,686	600,163	12.50%	4.0%	0.5159	0.0445	309,619	85.6%	83.2%
2016	658,339	12.50%	4.0%	9/24/2016	0.4457	0.2200	0.7800	293,400	548,025	12.50%	4.0%	0.4583	0.0451	251,163	85.6%	83.2%
2017	600,837	12.50%	4.0%	9/24/2017	0.3961	0.2200	0.7800	238,006	500,341	12.50%	4.0%	0.4072	0.0455	203,743	85.6%	83.3%
2018	548,323	12.50%	4.0%	9/24/2018	0.3521	0.2200	0.7800	193,070	456,762	12.50%	4.0%	0.3618	0.0459	165,277	85.6%	83.3%
2019	500,400	12.50%	4.0%	9/24/2019	0.3130	0.2200	0.7800	156,619	416,950	12.50%	4.0%	0.3216	0.0461	134,072	85.6%	83.3%
2020	456,637	12.50%	4.0%	9/24/2020	0.2782	0.2200	0.7800	127,049	380,590	12.50%	4.0%	0.2858	0.0463	108,760	85.6%	83.3%
2021	416,752	12.50%	4.0%	9/24/2021	0.2473	0.2200	0.7800	103,062	347,387	12.50%	4.0%	0.2540	0.0465	88,226	85.6%	83.4%
2022	380,328	12.50%	4.0%	9/24/2022	0.2198	0.2200	0.7800	83,604	317,073	12.50%	4.0%	0.2257	0.0467	71,569	85.6%	83.4%
2023	347,088	12.50%	4.0%	9/24/2023	0.1954	0.2200	0.7800	67,820	289,398	12.50%	4.0%	0.2006	0.0468	58,057	85.6%	83.4%
2024	316,733	12.50%	4.0%	9/24/2024	0.1737	0.2200	0.7800	55,015	264,133	12.50%	4.0%	0.1783	0.0469	47,095	85.6%	83.4%
2025	289,068	12.50%	4.0%	9/24/2025	0.1544	0.2200	0.7800	44,628	241,071	12.50%	4.0%	0.1585	0.0470	38,204	85.6%	83.4%
2026	263,803	12.50%	4.0%	9/24/2026	0.1372	0.2200	0.7800	36,203	220,020	12.50%	4.0%	0.1409	0.0471	30,991	85.6%	83.4%
2027	240,747	12.50%	4.0%	9/24/2027	0.1220	0.2200	0.7800	29,368	200,806	12.50%	4.0%	0.1252	0.0472	25,140	85.6%	83.4%
2028	219,692	12.50%	4.0%	9/24/2028	0.1084	0.2200	0.7800	23,823	183,267	12.50%	4.0%	0.1113	0.0473	20,393	85.6%	83.4%
2029	200,503	12.50%	4.0%	9/24/2029	0.0964	0.2200	0.7800	19,325	167,260	12.50%	4.0%	0.0989	0.0473	16,543	85.6%	83.4%

Lifetime Present Values at 5%

Historical	915,898,677								631,446,256							68.9%
Projected	7,739,774								6,363,113							82.2%
Lifetime	923,638,451								637,809,369							69.1%

Projected Experience without Rate Increase

Total 2010	1,051,166							1,053,700	930,580					900,170	85.4%	88.5%
Rest 2010*	770,666	0.00%	4.0%	9/24/2010	1.0000	0.2200	0.8900	770,666	592,674	12.50%	3.9%	0.9568	0.0000	631,632	82.0%	76.9%
2011	872,445	12.50%	4.0%	9/24/2011	0.9797	0.2200	0.7800	854,761	846,066	12.50%	4.0%	0.8631	0.0000	730,237	85.4%	97.0%
2012	796,145	12.50%	4.0%	9/24/2012	0.8709	0.2200	0.7800	693,382	772,693	12.50%	4.1%	0.7672	0.0000	592,808	85.5%	97.1%
2013	726,606	12.50%	4.0%	9/24/2013	0.7741	0.2200	0.7800	562,472	705,626	12.50%	4.1%	0.6820	0.0000	481,204	85.6%	97.1%
2014	663,101	12.50%	4.0%	9/24/2014	0.6881	0.2200	0.7800	456,277	644,114	12.50%	4.0%	0.6062	0.0000	390,449	85.6%	97.1%
2015	605,146	12.50%	4.0%	9/24/2015	0.6116	0.2200	0.7800	370,132	587,819	12.50%	4.0%	0.5388	0.0000	316,733	85.6%	97.1%
2016	552,223	12.50%	4.0%	9/24/2016	0.5437	0.2200	0.7800	300,251	536,443	12.50%	4.0%	0.4790	0.0000	256,933	85.6%	97.1%
2017	503,989	12.50%	4.0%	9/24/2017	0.4833	0.2200	0.7800	243,564	489,558	12.50%	4.0%	0.4257	0.0000	208,424	85.6%	97.1%
2018	459,940	12.50%	4.0%	9/24/2018	0.4296	0.2200	0.7800	197,579	446,771	12.50%	4.0%	0.3784	0.0000	169,074	85.6%	97.1%
2019	419,742	12.50%	4.0%	9/24/2019	0.3818	0.2200	0.7800	160,276	407,723	12.50%	4.0%	0.3364	0.0000	137,153	85.6%	97.1%
2020	383,033	12.50%	4.0%	9/24/2020	0.3394	0.2200	0.7800	130,016	372,088	12.50%	4.0%	0.2990	0.0000	111,258	85.6%	97.1%
2021	349,577	12.50%	4.0%	9/24/2021	0.3017	0.2200	0.7800	105,469	339,568	12.50%	4.0%	0.2658	0.0000	90,253	85.6%	97.1%
2022	319,024	12.50%	4.0%	9/24/2022	0.2682	0.2200	0.7800	85,556	309,889	12.50%	4.0%	0.2363	0.0000	73,213	85.6%	97.1%
2023	291,141	12.50%	4.0%	9/24/2023	0.2384	0.2200	0.7800	69,403	282,805	12.50%	4.0%	0.2100	0.0000	59,390	85.6%	97.1%
2024	265,679	12.50%	4.0%	9/24/2024	0.2119	0.2200	0.7800	56,300	258,088	12.50%	4.0%	0.1867	0.0000	48,177	85.6%	97.1%
2025	242,474	12.50%	4.0%	9/24/2025	0.1884	0.2200	0.7800	45,671	235,531	12.50%	4.0%	0.1659	0.0000	39,082	85.6%	97.1%
2026	221,282	12.50%	4.0%	9/24/2026	0.1674	0.2200	0.7800	37,048	214,946	12.50%	4.0%	0.1475	0.0000	31,703	85.6%	97.1%
2027	201,942	12.50%	4.0%	9/24/2027	0.1488	0.2200	0.7800	30,053	196,159	12.50%	4.0%	0.1311	0.0000	25,717	85.6%	97.1%
2028	184,281	12.50%	4.0%	9/24/2028	0.1323	0.2200	0.7800	24,379	179,015	12.50%	4.0%	0.1165	0.0000	20,862	85.6%	97.1%
2029	168,185	12.50%	4.0%	9/24/2029	0.1176	0.2200	0.7800	19,776	163,369	12.50%	4.0%	0.1036	0.0000	16,923	85.6%	97.1%

Lifetime Present Values at 5%

Historical	915,898,677								631,446,256							68.9%
Projected	6,592,591								6,248,723							94.8%
Lifetime	922,491,267								637,694,979							69.1%

*Partial year claims have been adjusted by 1.2770 for past seasonality and 0.8978 for future seasonality.

66 policies, with \$1,071,780 of annualized premium were in force as of 3/31/2010.